

# House Bill 897

*AN ACT TO AMEND SECTION 27-65-23, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES TAXATION THE TEMPORARY STORAGE OF TANGIBLE PERSONAL PROPERTY IN THIS STATE BY PUBLIC STORAGE WAREHOUSES PENDING SHIPPING OR MAILING OF THE PROPERTY TO ANOTHER STATE; AND FOR RELATED PURPOSES.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 27-65-23, Mississippi Code of 1972, is amended as follows:

27-65-23. Upon every person engaging or continuing in any of the following businesses or activities there is hereby levied, assessed and shall be collected a tax equal to seven percent (7%) of the gross income of the business, except as otherwise provided:

Air conditioning installation or repairs;

Automobile, aircraft, motorcycle, boat or any other vehicle repairing or servicing;

Billiards, pool or domino parlors;

Bowling or tenpin alleys;

Burglar and fire alarm systems or services;

Car washing--automatic, self-service, or manual;

Computer software sales and services;

Cotton compresses or cotton warehouses;

Custom creosoting or treating, custom planing, custom sawing;

Custom meat processing;

Electricians, electrical work, wiring, all repairs or installation of electrical equipment;

Elevator or escalator installing, repairing or servicing;

Film developing or photo finishing;

Foundries, machine or general repairing;

Furniture repairing or upholstering;

Grading, excavating, ditching, dredging or landscaping;

Hotels, motels, tourist courts or camps, trailer parks;

Insulating services or repairs;

Jewelry or watch repairing;

Laundering, cleaning, pressing or dyeing;

Marina services;

Mattress renovating;

Office and business machine repairing;

Parking garages and lots;

Plumbing or pipe fitting;

Public storage warehouses (There shall be no tax levied on gross income of a public storage warehouse derived from the temporary storage of tangible personal property in this state pending shipping or mailing of the property to another state.);

Refrigerating equipment repairs;

Radio or television installing, repairing, or servicing;

Renting or leasing personal property used within this state;

Services performed in connection with geophysical surveying, exploring, developing, drilling, producing, distributing, or testing of oil, gas, water and other mineral resources;

Shoe repairing;

Storage lockers;

Telephone answering or paging services;

Termite or pest control services;

Tin and sheet metal shops;

TV cable systems, subscription TV services, and other similar activities;

Vulcanizing, repairing or recapping of tires or tubes;

Welding; and

Woodworking or wood turning shops.

Income from services taxed herein performed for electric power associations in the ordinary and necessary operation of their generating or distribution systems shall be taxed at the rate of one percent (1%).

Income from services taxed herein performed on materials for use in track or track structures to a railroad whose rates are fixed by the Interstate Commerce Commission or the Mississippi Public Service Commission shall be taxed at the rate of three percent (3%).

Income from renting or leasing tangible personal property used within this state shall be taxed at the same rates as sales of the same property.

Persons doing business in this state who rent transportation equipment with a situs within or without the state to common, contract or private commercial carriers are taxed on that part of the income derived from use within this state. If specific accounting is impracticable, a formula may be used with approval of the commissioner.

A lessor may deduct from the tax computed on the rental income from tangible personal property a credit for sales or use tax paid to this state at the time of purchase of the specific personal property being leased or rented until such credit has been exhausted.

Charges for custom processing and repairing services may be excluded from gross taxable income when the property on which the service was performed is delivered to the customer in another state either by common carrier or in the seller's equipment.

When a taxpayer performs unitary services covered by this section, which are performed both in intrastate and interstate commerce, the commissioner is hereby invested with authority to formulate in each particular case and to fix for such taxpayer in each instance formulae of apportionment which will apportion to this state, for taxation, that portion of the services which are performed within the State of Mississippi.

SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the sales tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the sales tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

SECTION 3. This act shall take effect and be in force from and after July 1, 2001.

Passed by House of Representative  
February 8, 2001

Passed by State Senate  
February 21, 2001

APPROVED BY GOVERNOR

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GOVERNOR